

# Cost of Doing Business



Department of Commerce

Just right for business.

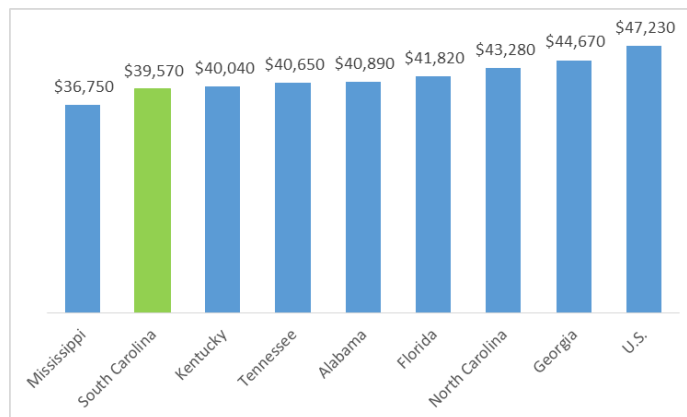
## Workforce and Wages: The Best People at the Right Cost

South Carolina's population increased by 4.5 percent between 2010 and 2014; higher than national rate of 3.3 percent. *Source: US Census*

During the period from 2004 to 2014, the South Carolina labor force grew 8.08 percent; more than national growth rate of 5.78 percent. *Source: Bureau of Labor Statistics*

Employers in South Carolina have the right to operate their businesses and manage their workforce free of union influence. As a right-to-work state, South Carolina has the 2<sup>nd</sup> lowest unionization rate in the country. Only 2.1% of total labor force is affiliated with a union. *Source: Unionstats.com*

### Annual Average Wages for Southeastern States, 2014



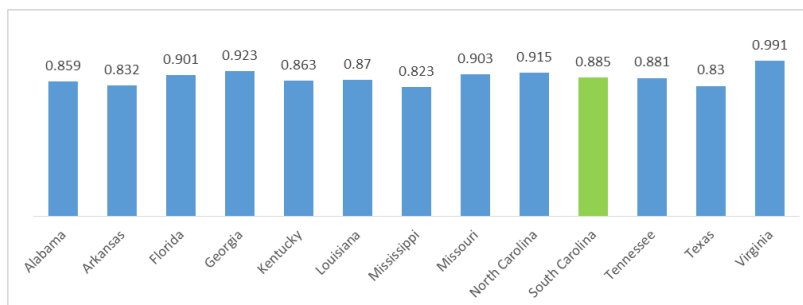
In 2014, the average salary in South Carolina ranks the 8<sup>th</sup> lowest in the nation and 2<sup>nd</sup> lowest in the Southeast region. *Source: BLS*

## Cost of Living: Providing More Buying Power

The annual cost of living index which compares all states, metropolitan areas, and counties in the United States for 2011 shows that the cost of living in South Carolina cost is 12% percent less than the national average and is the 11<sup>th</sup> lowest in the nation.

South Carolina's effective purchase power is \$1.12, which means the average value of \$1 across the nation can purchase \$1.12 worth of goods and services in South Carolina. *Source: SC Dept. of Commerce "Annual Cost of Living Index"*

### Cost of Living Index by State (US=1.00), 2011



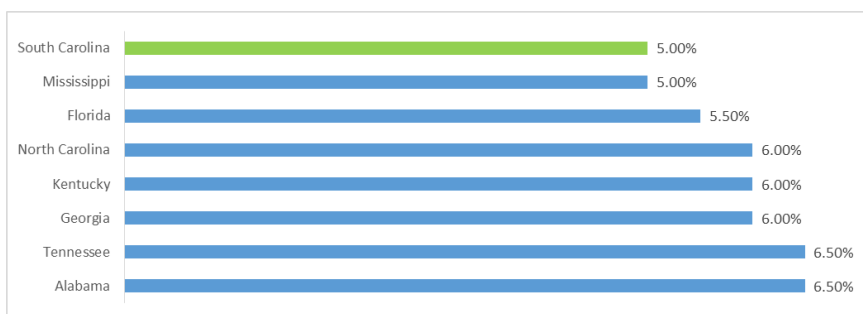
## Low Taxes: Maximizing a Business's Bottom Line

The Tax Foundation ranked South Carolina the state with the 10<sup>th</sup> lowest corporate income tax in the nation in 2014.

*Source: Tax Foundation, 2014 State Business Tax Climate Index*

South Carolina has the 20<sup>th</sup> best tax structure for entrepreneurship and small business. *Source: Small Bus. & Entrepreneurship Council's, 2014*

### State Corporate Tax Rate, 2014



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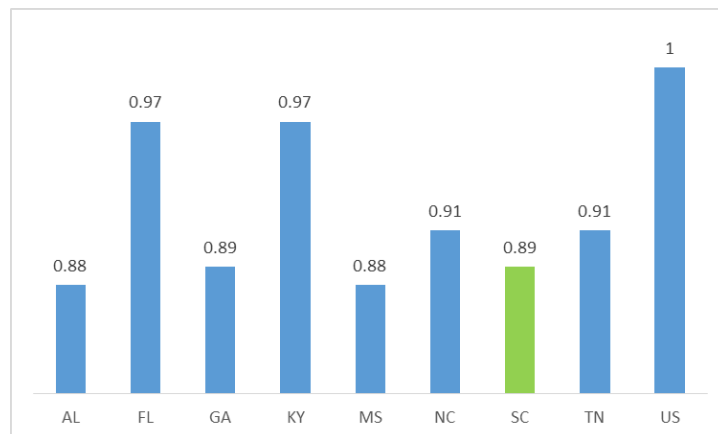


## Real Estate: Providing Lower Operating Costs

Construction costs in South Carolina are among the lowest in the Nation and tied for lowest in the Southeast. The cost in South Carolina is 11 percent below the United State average for Class A office facilities. *Source: Marshall Valuation Service, September 2015*

The state has a diverse array of buildings and sites to meet a company's needs. A full database of industrial and commercial buildings and sites is located on the Department of Commerce web site at [www.sccommerce.com](http://www.sccommerce.com). Click on the "Buildings and Sites Locator" from the home page to find the ideal location to fit the needs of your business.

### Construction Cost Index, Sep. 2015

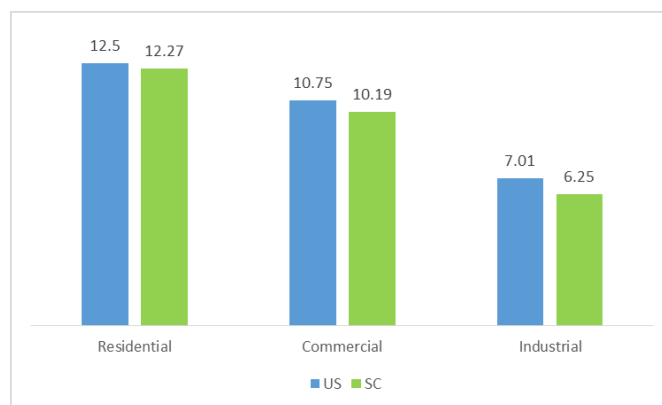


## Low Utility Costs: Reliable Productivity and Energizing Profits

Business-friendly regulations and smart investments in energy infrastructure give South Carolina the region's most affordable power costs. Industrial power costs in the state average only 6.25 cents per kilowatt hour, the lowest in the Southeast. The average South Carolina industrial rate is among the lowest in the nation and over 10% percent less than the national average of 7.01 cents per kilowatt hour. *Source: U.S. Energy Information Administration, 2014*

Compared with other Southeastern states, South Carolina offers very low rates for natural gas to industrial users. The average price in 2014 was \$5.27 per thousand cubic feet, slightly lower than the southeastern average of \$6.38 per thousand cubic feet. *Source: U.S. Energy Information Administration, 2014*

### Average Price of Electricity (Cents per Kilowatt Hour)



## Recent Rankings: South Carolina is Recognized Nationally

South Carolina's attractiveness to foreign investors was underscored in **IBM's 2014 Global Location Trends** report. For the third consecutive year, South Carolina came in 1st in the nation for jobs through foreign investment. The data derived from IBM's Global Investment Locations database which tracks announcements by companies on their location decisions. *Source: IBM, 2014 Global Location Trends, September 2015.*

**Area Development** named South Carolina a **2015 Gold Shovel Award** winner in recognition of economic development projects undertaken in 2014. This is the **seventh year** in a row that South Carolina has received a Gold or Silver Shovel Award in its population category. South Carolina was a Gold Shovel Award recipient in 2014, 2012, and 2011 and a Silver Shovel Award recipient in 2013, 2010, and 2009. *Source: Area Development, June 2015.*

The **American Economic Development Institute (AEDI)** and Pollina Corporate named **South Carolina #9** in the Top 10 Pro-Business States study. The study is based on 32 factors controlled by state government, including taxes, human resources, education, right-to-work legislation, energy costs, infrastructure spending, regulatory environment, workers compensation laws, economic incentive programs, and state economic development efforts. *Source: American Economic Development Institute, July 2014*

